

108TH CONGRESS
2D SESSION

H. R. 3784

To amend the Internal Revenue Code of 1986 to provide for refunds to taxpayers of the budget surplus for each year of surplus.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 2004

Mr. CANTOR (for himself and Mr. DOOLITTLE) introduced the following bill;
which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to provide for refunds to taxpayers of the budget surplus for each year of surplus.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Taxpayer Rebate and
5 Responsibility Act”.

6 **SEC. 2. REFUND OF CERTAIN BUDGET SURPLUS AMOUNTS.**

7 (a) IN GENERAL.—Subchapter B of chapter 65 of the
8 Internal Revenue Code of 1986 (relating to abatements,
9 credits, and refunds) is amended by adding at the end the
10 following new section:

1 **“SEC. 6429. REFUND OF BUDGET SURPLUS AMOUNTS.**

2 “(a) IN GENERAL.—Each individual who was an eli-
3 gible individual for such individual’s first taxable year be-
4 ginning in the calendar year in which a surplus year be-
5 gins shall be treated as having made a payment against
6 the tax imposed by chapter 1 for such first taxable year
7 in an amount equal to the lesser of—

8 “(1) the taxpayer’s allocable portion of the re-
9 fund amount for such taxable year, or

10 “(2) the taxpayer’s limitation amount for such
11 taxable year.

12 “(b) TIMING OF PAYMENTS.—In the case of any
13 overpayment attributable to this section, the Secretary
14 shall, subject to the provisions of this title, refund or cred-
15 it such overpayment as rapidly as possible.

16 “(c) DEFINITIONS.—For purposes of this section—

17 “(1) ELIGIBLE INDIVIDUAL.—The term ‘eligible
18 individual’ means any individual other than—

19 “(A) any estate or trust,

20 “(B) any nonresident alien individual, and

21 “(C) any individual with respect to whom
22 a deduction under section 151 is allowable to
23 another taxpayer for a taxable year beginning
24 in the calendar year in which the individual’s
25 taxable year begins.

1 “(2) SURPLUS YEAR.—The term ‘surplus year’
2 means a fiscal year for which the Director of the Of-
3 fice of Management and Budget certifies to the
4 President and the Congress after the close of such
5 year that there is a surplus in the budget of the
6 United States for such fiscal year and the amount
7 of such surplus, determined without regard to the
8 income and expenditures of the Federal Old-Age and
9 Survivors Insurance Trust Fund, the Federal Dis-
10 ability Insurance Trust Fund, and the Federal Hos-
11 pital Insurance Trust Fund. Such term shall not in-
12 clude any year if the Secretary determines that the
13 cost of carrying out this section with respect to such
14 year would exceed the refund amount for such year.

15 “(3) REFUND AMOUNT.—

16 “(A) IN GENERAL.—The term ‘refund
17 amount’ means with respect to a surplus year,
18 the applicable percentage of the amount of the
19 surplus certified under paragraph (2) for that
20 year.

21 “(B) APPLICABLE PERCENTAGE.—The
22 term ‘applicable percentage’ means such per-
23 centage as the Secretary may determine with
24 respect to any surplus year, except that such

1 percentage shall not be less than 50 percent nor
2 more than 100 percent.

3 “(4) TAXPAYER’S ALLOCABLE PORTION OF THE
4 REFUND AMOUNT.—A taxpayer’s allocable portion of
5 the refund amount is the portion of the refund
6 amount determined by the Secretary to be the
7 amount which bears the same ratio to the tax paid
8 by the taxpayer under subtitle A for the taxpayer’s
9 first taxable year beginning in the calendar year in
10 which the surplus year begins as the total amount
11 of taxes imposed under subtitle A on all eligible indi-
12 viduals for such taxable year bears to the total
13 amount of the refund amount for the surplus year.

14 “(5) LIMITATION AMOUNT.—The term ‘limita-
15 tion amount’ means, with respect to any taxable
16 year, the excess (if any) of—

17 “(A) the sum of the regular tax liability
18 (as defined in section 26(b)) for such taxable
19 year plus the tax imposed by section 55 for
20 such taxable year, over

21 “(B) the sum of the credits allowable
22 under part IV of subchapter A of chapter 1
23 (other than the credits allowable under subpart
24 C thereof, relating to refundable credits) for
25 such taxable year.

1 “(d) SPECIAL RULES.—

2 “(1) NO INTEREST.—No interest shall be al-
3 lowed on any overpayment attributable to this sec-
4 tion.

5 “(2) JOINT RETURNS.—In the case of a refund
6 or credit made or allowed under this section with re-
7 spect to a joint return, half of such refund or credit
8 shall be treated as having been made or allowed to
9 each individual filing such return.”.

10 (b) CLERICAL AMENDMENT.—The table of sections
11 for subchapter B of chapter 65 is amended by adding at
12 the end the following new item:

“6429. Refund of budget surplus amounts.”.

13 (c) EFFECTIVE DATE.—The amendments made by
14 this section shall apply to taxable years beginning after
15 the date of the enactment of this Act.

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